

County Committee Holds Work Session on PEPCO Reliability, Alternatives

By [Taylor Kate Brown](#) | February 7, 2011

Pepco executives spent two hours on the hot seat Monday afternoon when members of the county council asked them for an update on their improvements and explanation for another storm's worth of multi-day outages.

"I don't see the utility of the utility," Councilmember Marc Elrich said towards the end of the question and answer period.

Councilmembers Berliner, Floreen and Riemer got first crack at asking Pepco about the possible rate increase, what went wrong in the last storm and what is holding up further improvements.

Pepco Executive Vice President Dave Velazquez answered most of the questions and delivered the testimony.

"We're not where we need to be - in meeting expectations or clear communications," Velazquez said, adding that the company was committed to closing that gap.

Most of Pepco's response Monday afternoon referred back to a six-point improvement plan scheduled to improve the service over the next five years, including tree maintenance, priority feeder work, distribution automation, load growth, underground cable replacement and selective undergrounding of current wires.

Councilmember Berliner, the chair of the committee, asked Velazquez and the rest of the executive team from Pepco what constraints kept them from speeding up the time table from five years. Velazquez responded that the amount of infrastructure improvements could not be done in one year.

"Improvements will be seen as we go along," he said in response to a similar question from Councilmember Leventhal, "But it will take us a number of years to go through the infrastructure."

Other councilmembers asked what had been done since last February and July's storms. Pepco representatives answered that in addition to 900 miles of tree trimming, they were committing an additional \$10 million each year for capital improvements (in addition to existing yearly budgets for capital improvement).

"It's getting discouraging," Councilmember Nancy Floreen said, "I've been having these meetings since 2003. We've had this conversation, it's a Groundhog Day experience."

In response to Councilmember Hans Riemer's direct question about if they were still seeking a rate increase, Velazquez did not deny it.

Montgomery County Council doesn't have direct control over PEPCO, so the meeting served primarily for the council members to speak about the recent storm. Leventhal acknowledged that with the exception of Berliner, the council's lack of technical knowledge prevented them from following up as deeply as they would have wished with the executives' responses.

"It's clear to me that Pepco is able to avoid questions, Leventhal said.

Paired with Pepco's testimony was a presentation from Ursula Schryver, director of customer programs at [American Public Power Association](#), a trade association for utilities owned by municipalities and communities. Schryver noted public power lined up with many of the county's wishes for their power infrastructure - local control, reinvestment and potentially lower rates.

While the cost to the county to purchase the infrastructure from Pepco to form a public power company was cited as a possible barrier, Councilmember Elrich argued that, in the long term, the cost savings would go back directly the county.

"We're paying them anyway," Elrich said.